



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
(202) 736 8000
(202) 736 8711 FAX

rhines@sidley.com
(202) 736-8198

BEIJING	GENEVA	SAN FRANCISCO
BRUSSELS	HONG KONG	SHANGHAI
CHICAGO	LONDON	SINGAPORE
DALLAS	LOS ANGELES	TOKYO
FRANKFURT	NEW YORK	WASHINGTON DC

FOI INDEXED 1866

November 25, 2008

224054

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re Finance Docket No. 35123, *Fortress Investment Group LLC, et al – Control Exemption – RailAmerica, Inc et al*

Dear Secretary Quinlan

This letter has reference to the "Comments Regarding Verified Notice of Exemption" ("TxDOT Comments") filed in the above-captioned proceeding on November 19, 2008 by the Texas Department of Transportation ("TxDOT"). The TxDOT Comments indicate that, notwithstanding RailAmerica's prior acknowledgement that the Texas Northeastern Railroad division of RailAmerica's subsidiary, Dallas, Garland & Northeastern Railroad, Inc ("TNER"), no longer holds operating authority with respect to the line of railroad between MP 94.0 near Paris, TX and MP 127.5 near Bonham, TX (the "Paris-Bonham Segment"), TNER apparently included in its capital projects list for the coming year (which was filed with TxDOT's Traffic Operations Division) a grade crossing project on State Road FM 824 in Honey Grove, TX, a point along the Paris-Bonham Segment. The TxDOT Comments request that, in order to eliminate any future misunderstanding" regarding the status of the Paris-Bonham Segment, Fortress provide TxDOT and the Board "notice that it has corrected and adjusted its records" to reflect the fact that TNER does not currently operate (or have authority to operate) over the Paris-Bonham Segment.

As the letter dated December 20, 2006 from the undersigned counsel to TxDOT counsel (see TxDOT Comments, Attachment C) indicates, Fortress and RailAmerica are aware that, as a result of the discontinuance exemption in Docket No. AB-364 (Sub-No. 8X), TNER does not hold operating rights over the Paris-Bonham Segment. TNER does not, in fact, operate over the Paris-Bonham Segment, and the inclusion of a grade crossing project at State Road FM 824 in Honey Grove, TX in TNER's recent capital projects list was an error. This is to advise the Board and TxDOT that RailAmerica has adjusted its records accordingly. RailAmerica regrets any



The Honorable Anne K. Quinlan, Acting Secretary
November 25, 2008
Page 2

inconvenience that inclusion of the State Road FM 824 grade crossing project in TNER's recent capital projects list may have caused

Sincerely,

A handwritten signature in black ink, appearing to read "Terence M. Hynes".

Terence M. Hynes

TMH:aat
cc. Richard Streeter
Scott Williams